

National Endowment for the Arts  
Agency-wide Implementation Plan for the American Recovery and Reinvestment Act of 2009

In accordance with Section 2.7 of the Office of Management and Budget's Initial Implementation Guidance for the American Recovery and Reinvestment Act of 2009 (M-09-10), the National Endowment for the Arts (NEA) implementation plan is as follows:

1. Appropriations

\$50 million appropriated to the NEA:

To be distributed in direct grants to fund arts projects and activities which preserve jobs in the non-profit arts sector threatened by declines in philanthropic and other support during the current economic downturn.

2. Allocation of Funds

The Act provides:

That the amount set aside from this appropriation pursuant to section 1106 of this Act shall be not more than 5 percent instead of the percentage specified in such section.

The NEA anticipates using approximately \$500,000 of the funds for administrative and program support purposes such as costs associated with panels and travel, contractual support associated with our Information Technology operations, and staffing.

After deducting administrative and program support costs, 60 percent of the remaining funds will be available for competitively selected grants to non-profit arts organizations and 40 percent available to be distributed to the State arts agencies and regional arts organizations – who, when subgranting, will distribute funds through competitive and qualitative reviews. For purposes of the Act, the funds made available to the State arts agencies and regional arts organizations are not considered to be formula funds.

Specifically, the Act requires:

*Provided*, That 40 percent of such funds shall be distributed to State arts agencies and regional arts organizations in a manner similar to the agency's current practice and 60 percent of such funds shall be for competitively selected arts projects and activities according to sections 2 and 5(c) of the National Foundation on the Arts and Humanities Act of 1965 ...

3. Use of Funds

Consistent with the language in the Act, eligible projects will generally be limited to salary support and fees for artists or contracted personnel. This will apply to all applicants for support under the Act.

The guideline language to be conveyed to applicants identifies the following eligible projects:

- Salary support, full or partial, for one or more positions that are critical to an organization's artistic mission and that are in jeopardy or have been eliminated as a result of the current economic climate.
- Fees for previously-engaged artists and/or contractual personnel to maintain or expand the period during which such persons would be engaged.

For organizations eligible to subgrant, funds may also be used to cover the cost of implementing the subgranting program.

When submitting their request, organizations may seek support for a single position, multiple positions, a single contractor, multiple contractual personnel, or any combination therein.

#### 4. Eligible Organizations

In recognition of the funding level available, the importance of ensuring that recipients of funds are high-performing organizations (as noted in the Act implementation guidance provided by the Office of Management and Budget), the need to provide funding in a timely manner, and the capacity of the NEA and its staff, eligible organizations will be limited to those who previously received a grant from the NEA starting with fiscal year 2006 and through those approved for 2009 and considered at the NEA's October 2008 meeting of the National Council on the Arts. We estimate that 3,400 individual organizations will be eligible under this program, covering all the disciplines routinely supported by the NEA and every Congressional district.

We should also point out that the NEA program established under the Act provides organizations with four avenues to seek support: directly from the NEA, or through a State arts agency, a regional arts organization, or a designated governmental local arts agency (see national coverage below). Thus, failing to be eligible to receive funds directly from the NEA does not preclude an organization from receiving funds through a subgrant awarded by a State arts agency, a regional arts organization, or a designated local arts agency.

#### 5. National Coverage

To ensure the broadest possible reach, four avenues of support will be available to arts organizations. That is, organizations could apply directly to the NEA, or their State arts agency; their regional organization; or their designated governmental local arts agency.

#### 6. Number of Applications

Organizations will be advised that they may receive funding under the Act from one source only; that is, they could get funds directly from the NEA, or through the State arts agency, or the regional arts organization, or their designated governmental local arts agency.

#### 7. Grant Amounts

*With the 60 percent available for competitive grants*, organizations can apply for a grant of \$25,000 or \$50,000. For the designated governmental local arts agencies eligible to subgrant, requests of \$100,000 or \$250,000 are permitted provided the project involves subgranting.

*With the 40 percent available for State arts agencies and regional arts organizations, the amounts allocated to each will be determined using current processes as our guide, and will be based on equal shares (as stated in the NEA's authorizing legislation) and population. In making these determinations, the NEA will rely upon criteria used to make the fiscal year 2008 partnership awards to the States and regions – given that this is the most recent year for which a full appropriation exists.*

As a practical matter, each State arts agency under the Act will receive on average, 53 percent of their 2008 basic state plan allocation and each regional arts organization will receive 37 percent of their 2008 allocation.

#### 8. Matching Requirements

Consistent with the Act, all NEA awards made with funds from the Act will be made on a non-matching basis; this includes those under the 60 percent and 40 percent processes.

#### 9. Award Process

To implement the Act, the NEA intends to use processes consistent with those used to make awards under annual appropriations. More specifically, we intend to accomplish the following:

- Develop and issue guidelines,
- Rely upon Grants.gov for application submission,
- Utilize panels of citizen experts to review applications,
- Present recommended applications to the National Council on the Arts for their review and approval,
- Receive final decisions from the NEA Chairman, or Acting Chairman, as applicable,
- Develop any special award and reporting requirements consistent with the Act and OMB guidance,
- Make awards,
- Receive and review interim reports,
- Make payments,
- Receive and review final reports and closeout the grants.

To the extent practical, the NEA will rely upon electronic processes to consider applications and make awards.

#### 10. Reporting Requirements

The NEA awaits additional guidance from OMB concerning specific grant terms as well as reporting requirements. Current materials for applicants make clear that these will be made available once known and finalized. In the interim, we are making plans to accommodate the required periodic reporting from grantees and to the designated Web sites, including those required by the Congress.

#### 11. Timing

This ambitious program requires an equally ambitious timeline in order to ensure that funds are available as soon as possible. For the 40 percent funds, the plan is to take applications to the

March meeting of the National Council on the Arts for review and approval. For the 60 percent funds, the plan is to take applications to the June meeting of the National Council on the Arts.

Meeting these timelines requires the issuance of NEA application guidelines in early March 2009.

#### 12. NEA Web site

The NEA has created the links required under the OMB guidance to implement the Act. This will ensure the availability of current information for applicants, grantees, and the American people.

#### 13. NEA Monitoring, Oversight and Reporting

The NEA Acting Chairman has designated Robert Frankel, NEA Acting Deputy Chairman for Grants and Awards, and Larry Baden, NEA Deputy Chairman for Management and Budget, as the co-leads and designated agency officials for this program. In addition, the following has occurred:

- An agency-wide matrix was created to track actions necessary to implement the Act.
- An intra-agency work group has been developed to assist with the application processing, grant award, monitoring, and payment components of the program.
- A weekly meeting of agency staff involved with the management and implementation of the program – including the senior management team – is held to review the progress and performance of the program, to identify areas of concern, and to determine corrective actions.
- The senior management team often meets daily to ensure ongoing oversight and timely management of the program.
- At least one of the senior accountable officials meets regularly with the Acting Chairman, and weekly with the Acting Inspector General.
- A new position has been allocated to the NEA Office of Inspector General so that they may recruit for an employee who will focus on the NEA and grantee implementation of the Act.

#### 14. Status

Our application guidelines, after being approved by OMB, were made available to the public on Monday, March 2, 2009. As of May 14, all applications for support have been received; awards to the State arts agencies and regional arts organizations have been made; and the applications for the remaining 60% of the funds are undergoing review.